



JJGJr.:04-01

Paper 19

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In re Patent No. 5,043,356
Issue Date: 27 August, 1991
Application No. 07/467,794
Filed: 19 January, 1990
Attorney Docket No. 74152

OFFICE OF PETITIONS
A/C PATENTS
ON PETITION

This is a decision on the petition for reconsideration filed 15 February, 2001, and supplemented via FAX on 10 April, 2001, under 37 C.F.R. §1.378,¹ ¶(b), to accept payment of a maintenance fee, alleged to have been unavoidably delayed, for the Patent No. 5,043,356 (the '356 patent).

The original petition was filed on 2 October, 2000 (the original petition), and dismissed on 8 December, 2000 (the December 2000 Decision), under 37 C.F.R. §1.378, subsection (b), for failure to make a satisfactory showing that the delay was unavoidable.

At that time Petitioner was informed that this would be the only opportunity for reconsideration.²

¹ The regulations at 37 C.F.R. §1.378 provide:

§ 1.378 Acceptance of delayed payment of maintenance fee in expired patent to reinstate patent.

(a) The Commissioner may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Commissioner to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

- (1) The required maintenance fee set forth in § 1.20 (e) through (g);
- (2) The surcharge set forth in § 1.20(i)(1); and

(3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

(c) Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in §1.362(e) and must include:

- (1) The required maintenance fee set forth in § 1.20 (e) through (g);
- (2) The surcharge set forth in § 1.20(i)(2); and

(3) A statement that the delay in payment of the maintenance fee was unintentional.

(d) Any petition under this section must be signed by an attorney or agent registered to practice before the Patent and Trademark Office, or by the patentee, the assignee, or other party in interest.

(e) Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

[49 Fed. Reg. 34726, Aug. 31, 1984, added effective Nov. 1, 1984; para. (a), 50 Fed. Reg. 9383, Mar. 7, 1985, effective May 8, 1985; paras. (b) and (c), 53 Fed. Reg. 47810, Nov. 28, 1988, effective Jan. 1, 1989; paras. (a) - (c) and (e), 56 Fed. Reg. 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (a) - (c) and (e), 58 Fed. Reg. 44277, Aug. 20, 1993, effective Sept. 20, 1993; para. (d) revised, 62 Fed. Reg. 53131, Oct. 10, 1997, effective Dec. 1, 1997].

Petitioner also was informed that he was to provide any and all supporting documentation with the renewed petition, if filed.³

This petition followed. The supporting documentation filed with the renewed petition is described, infra.

I. JURISDICTION

The patent issued on 27 August, 1991. The grace period for paying the first maintenance fee expired at midnight on 27 August, 1995. Thus, the original petition, filed 2 October, 2000, was not timely filed within twenty-four months after the six-month grace period provided in 37 C.F.R. §1.362(e).

Thus, Petitioner's only avenue for relief is under 37 C.F.R. §1.378(b).

The Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable," 35 U.S.C. 41(c)(1), and a petition can be filed under 37 C.F.R. §1.378(b).

II. UNDERLYING STATUTES, REGULATIONS AND CASE LAW

Under the applicable provisions of 35 U.S.C. §41(b) and (c):

the Commissioner shall charge fees for maintaining in force all patents filed on or after 12 December, 1980, at the 3-year-6-month, 7-year-6-month, and 11-year-6-month intervals; and

unless payment of the applicable maintenance fee is received in the PTO on or before the date the fee is due or within a grace period of six months thereafter when the grace-period surcharge is paid with maintenance fee, the patent will expire as of the end of the grace period; except that

the Commissioner may accept the payment of any maintenance fee required by the statute if the payment is made:

--within 24 months after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unintentional;⁴ or

--at any time after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable.

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay.⁵

December 2000 Decision, at pages 3 and 5.

⁴ The burden is less onerous to show unintentional delay under the provisions of 37 C.F.R. §1.378(c), the application of that portion of the regulation is limited to those cases in which the 24-month time limitation is satisfied. The payment was not tendered herein within that period.

⁵ Ray v. Lehman, 55 F3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

In determining if a delay was unavoidable, decisions on reviving abandoned applications have adopted the standard of the reasonably prudent person acting in their most important business matters.⁶

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁷

Finally, a petition to revive an application or patent as unavoidably abandoned or expired cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.⁸

The regulations at 37 C.F.R. §1.378(b)(3) require a showing that:

- "the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely," and
- the showing must "enumerate the steps taken to ensure timely payment of the maintenance fee" as well as the reasons why payment was not timely made.

This showing should include, but is not limited to, docket records, tickler reports, and file jacket entries for this application, and documents regarding the alleged cause of the delay and copies of any documents referred to in petitioner's statement as to the cause of the unavoidable delay are required.

All the causes which contributed to the failure to timely pay the maintenance fee must be presented and supported with appropriate evidence.⁹

Further, petitioner should identify the party(ies) responsible for making the payment: A showing must be made (with supporting documents) outlining the efforts made to ensure timely payment of the maintenance fee--including scheduling and calendaring information, appointment of an individual with the authority and responsibility to pay the fee, and detailing of the causes for a failure in that process.

Petitioner must "provide any *direct evidence* proving exactly"¹⁰ what records and systems were in place to satisfy the showing required under 37 C.F.R. §1.378(b). As the court found in Krahn:

The Commissioner did not abuse his discretion in ruling that this evidence was insufficient to prove an unavoidable delay * * *. The * * *

⁶ Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982)

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ The showing must also enumerate the date and the manner in which patentee became aware of the expiration of the patent and the steps taken to file the petition promptly. The showing can be verified by using the attached petition form which includes a declaration according to 37 C.F.R. §1.68. Statements from all persons who contributed to the delay are also required.

See: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990)

procedure[s] set out in the PTO regulations were specifically designed to provide patent applicants with a clear procedure to protect themselves from exactly the situation which has arisen in this case. Plaintiff failed to follow these procedures. The Commissioner properly ruled that the alternative means employed by the plaintiff were inadequate * * *. Plaintiff still failed to provide any direct evidence proving exactly [his allegations]. The procedures set out in the PTO's regulations are designed to provide the type of direct evidence needed * * *. Had plaintiff's counsel followed these procedures, as a 'prudent and careful man' would have done in conducting 'his most important business,' then he would have been able to produce sufficient evidence to support a showing of unavoidable delay." (Emphasis supplied.)¹¹

III. BACKGROUND

Persons/Offices

James E. Fulton, Jr. (Mr. Fulton/Inventor/Petitioner): Petitioner;

Sara Fulton (Mrs. Fulton): Petitioner's spouse and *de facto* spokesperson for Petitioner in this matter

Poms Smith Lande & Rose (PSLR/Petitioner's former Counsel): (a) prosecuted the application from filing (1990) to issue (1991); (b) notified Petitioner (through Mrs. Fulton) in August 1994 of the due date of the maintenance fee; and (c) transmitted to Petitioner (again through Mrs. Fulton) in May 1995 a copy of the April 1995 Office notice that the maintenance fee was due for the '356 patent;

Acne Research Corporation (ARC): company belonging to Petitioner and Mrs. Fulton;

Mishka Jett (Mr. Jett): person with whom Mrs. Fulton indicates that she negotiated an agreement regarding the '356 patent;

Vivante Internationale of Boca Raton, Florida (VIBRF): the company operated by Mr. Jett;

Daniel Hart (Mr. Hart/Counsel): Petitioner's present Counsel;

Knobbe, Martens, Olson, & Bear, LLP (KMOB): Petitioner's present Counsel's firm.

Payment Windows

After the issue of the patent on 27 August, 1991, the windows for payment of the first maintenance fee opened and closed as follows:

the first window opened on 27 August, 1994, and closed at midnight on 27 February, 1995, for payment without surcharge;

the second opened on 28 February, 1995, and closed at midnight on 27 August,

Krahn, at 1825.

1995, for payment with surcharge under 37 C.F.R. §1.20(h);
the third opened on 28 August, 1995, and closed at midnight on 27 August, 1997, for payment as unintentionally delayed under 37 C.F.R. §1.20(i)(2); and
the fourth also opened on 28 August, 1995, for payment as unavoidably delayed under 37 C.F.R. §1.20(i)(1).

As noted above, payment of the first maintenance fee was not tendered until the filing of the petition on 2 October, 2000--well after the deadline for payment unintentionally delayed (37 C.F.R. §1.20(i)(1), and allowing only payment unavoidably delayed (37 C.F.R. §1.20(i)(1)).

Showing

Attached to the petition for reconsideration is a statement by Mrs. Fulton¹² and a photocopy of an excerpted and undated, newspaper article--which Mrs. Fulton ascribes to the *South Florida Business Journal (SFBJ)*--setting forth certain allegations made in an unidentified law suit filed in an unspecified jurisdiction on an unspecified date, and unspecified results, if any.

When reminded in a telephone call on 10 April, 2001, that:

The statement of Mrs. Fulton accompanying the Petition for Reconsideration is as follows

STATEMENT

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

This statement is being provided to demonstrate that I took reasonable care to ensure that the maintenance fee had been paid in the ['356] patent. In addition to the fact provided in my Statement submitted [27 September, 2000,] in the ['356] patent, I hereby state the following. Under the terms of the agreement, Mishka Jett of Vivante Internationale was responsible for paying the maintenance fees for the ['356] patent. As attested by the accompanying excerpt of an article from the *South Florida Business Journal*, Mishka Jett's failure to advise the shareholders of Vivante Internationale that he had pled guilty to a felony count of stealing \$5,000 from a pension fund, declared bankruptcy in 1991, had never obtained a doctorate from the University of Illinois as he claimed, and, despite his assertions, had never been a consultant to the Missouri Housing Development Commission were among the allegations raised in a suit by the shareholders. In fact, Dr. James E. Fulton, the inventor on the ['356] patent sued both Mishka Jett and other principals of Vivante Internationale for their misrepresentations and the damage to his reputation which resulted from this business venture. These facts demonstrate Mishka Jett's pattern of deception and dishonesty.

Furthermore, the letter which I sent to the P.T.O. on [24 May, 1995,] inquiring whether the maintenance fee had been paid contained the patent number of the above-identified patent as well as my correspondence address and was mailed to the correct P.T.O. address. This inquiry was submitted more than two months before the end of the grace period for paying the maintenance fee. In addition, the template which was filled in and submitted to the P.T.O. to inquire about the maintenance fee in the ['356] patent was only used in the ['356] patent and was not used to inquire about the status of the maintenance fee in any other patents. When I did not hear back from the P.T.O. in response to my inquiry, I assumed that the maintenance fee had been paid, since it was my expectation that the P.T.O. would advise me if the maintenance fee had not been paid.

Finally I chose to contact the P.T.O. directly rather than through my attorney at Poms, Smith, Lande and Rose because my attorney was suffering from a bad back, and was frequently absent from the office. Accordingly, it was difficult to obtain a prompt response from him.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful, false statements and the like so made are punishable by fine or imprisonment, for both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the patent.

Dated: [8 February, 2001] /s/ Sara Fulton

the December 2000 decision had instructed the Petitioner to file all materials in support of the request for reconsideration, and

the record contained statements by Mrs. Fulton but no showing that Mrs. Fulton or any juridical entity had authority to negotiate, commit or otherwise act on behalf of the Petitioner with regard to the '356 patent,

Counsel Mr. Hart supplemented the record via FAX with a statement (with attachments described in the statement) by Petitioner¹³ and a copy of the complete *SFBJ* article

¹³ The FAX supplement statement of Petitioner is as follows:

STATEMENT

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

This statement is being provided to demonstrate that, as inventor of the ['356] patent, I was involved in all matters relating thereto. This statement is also being provided to describe Sara Fulton's involvement with the patent and the agreements reached with Vivante Internationale regarding the patent.

I am the inventor on the ['356] patent. As evidenced by the documents provided herewith, all transactions relating to the patent were conducted with my knowledge and I signed all documents relating to rights under the patent. However, my wife, Sara Fulton, was involved with the business aspects of the patent, and, in particular, with my authorization, Sara Fulton provided instructions to my patent attorneys at Poms, Smith, Lande & Rose during the prosecution of the application which ultimately issued as the above-identified patent. In addition, with my authorization, Sara Fulton also conducted business negotiations with Mishka Jett of Vivante Internationale (which was also called Viva Pharmaceuticals at one time) with respect to the ['356] patent on behalf of myself and Vivante, Inc. a company which I formed with Sara Fulton to exploit the patent. Although Sara Fulton conducted the negotiations, all documents relating to the patent were to be signed by me. During the negotiations, Mishka Jett was not forthcoming with Sara Fulton and was difficult to interact with. Nonetheless, Sara Fulton and Mishka Jett ultimately reached agreement and I executed the documents discussed below.

My role in the venture was to serve as Director of Research in Vivante Internationale. Exhibit A accompanying this Statement is a copy of the Employment Agreement which I entered into on [20 July, 1994,] with Vivante Internationale. Section 11 of the Employment Agreement relates to the intellectual property rights conferred (sic) to Vivante Internationale. As indicated in Section 11 of the Employment Agreement and the documents discussed below, Vivante Internationale was to obtain Assignments to certain patents or patent applications, as well as a license to the ['356] patent.

Exhibits B and C accompanying this Statement are draft Assignment, License and Royalty Agreements prepared [20 July, 1994,] and [12 July, 1994,] which were prepared in the course of the negotiations with Vivante Internationale. As indicated in these draft agreements, Vivante Internationale obtained a perpetual license to sublicense, make, have made, use, distribute and/or sell the products produced and/or claimed under the Licensed Patent (the ['356] patent) and the apparatus and equipment necessary therefor anywhere in the world. Although we have been unable to locate a signed final copy of the Assignment, License and royalty Agreement, it is my recollection that an agreement was actually executed by me and by Mishka Jett.

Furthermore, it was my understanding that Mishka Jett and Vivante Internationale were to handle payment of the maintenance fee for the patent. In that regard, I personally followed up on the letter which Sara Fulton had sent to Mishka Jett inquiring whether he had paid the maintenance fee. Mishka Jett misinformed me that he had in fact paid the maintenance fee when in fact it had not been paid.

Further evidence of the unreliability of Mishka Jett and Vivante Internationale comes from the fact that they failed to live up to the terms of the foregoing agreements. In particular, Vivante Internationale failed to pay my salary. Accordingly, on [19 June, 1995], I sent a Demand Letter (provided herewith as Exhibit D) to Vivante informing them that if they did not pay my salary within 10 days my obligations under the Employment Agreement would cease and that if this breach was not cured within 30 days, the License Agreement would also terminate.

On [28 August, 1995], my attorney at Knobbe, Martens, Olson & Bear sent a follow up letter (provided herewith as Exhibit E) advising that them (sic) that the breach of the Employment Agreement had still not been cured and if it was not cured within 30 days, the license to the ['356] patent would be terminated.

As reflected in the Statements previously submitted by Sara Fulton, Mishka Jett had concealed his prior to (sic) conviction for felony theft and his prior declaration of bankruptcy from me and from the principals and shareholders in Vivante Internationale. Furthermore, Mishka Jett had also misrepresented his professional and academic credentials to me and the principals and shareholders in Vivante Internationale. These misrepresentations came to light when they were discovered and published by a

detailing a combination of law suits involving Petitioner, Mr. Jett and VIBRF.¹⁴

In essence, Petitioner's statement alleges that:

Petitioner authorized Mrs. Fulton to negotiate with Mr. Jett and VIBRF (also known as Viva Pharmaceuticals) regarding the '356 patent;

Mrs. Fulton negotiated an agreement with Mr. Jett and VIBRF and Petitioner executed the agreement;

Petitioner was to serve as Director of Research in VIBRF, and--in return for the employment, salary and royalties--was to assign, *inter alia*, the '356 patent to VIBRF;

while Petitioner has and submits a signed copy of the employment agreement, he does not have and submit signed copies of the assignment, license and royalty agreements--those supplied by Petitioner are described by him as "draft agreements";

notwithstanding the absolute silence of the signed employment agreement and the unsigned draft assignment, royalty and license agreements as to the responsibility of Mr. Jett and/or VIBRF for payment of maintenance fees, Petitioner states that it was his understanding Mr. Jett and VIBRF "were to handle payment of the maintenance fee for the ['356] patent";

Petitioner "personally followed up on the letter which Sara Fulton * * * sent to [Mr. Jett] inquiring whether he had paid the maintenance fee. [Mr. Jett] misinformed [Petitioner] that [Mr. Jett] had in fact paid the maintenance fee when in fact it had not been paid";

the "unreliability" of Mr. Jett and VIBRF is further demonstrated by their failure "to live up to the terms of the [employment and other] agreements . . . [and failure] to pay [Petitioner's] salary";

on 19 June and 28 August, 1995, Petitioner and KMOB, respectively, sent demand letters notifying Mr. Jett and VIBRF of Petitioner's intent to terminate all agreements due to Mr. Jett and VIBRF's breach of those agreements;

Mr. Jett concealed from Petitioner and Mrs. Fulton Mr. Jett's prior alleged felony-theft conviction and declaration of bankruptcy, and misrepresented his professional and academic credentials and history; and

local reporter. Following the publication of this information, a shareholders suit was initiated against Vivante Internationale. The suit ultimately settled out of court and the company was dissolved.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful, false statements and the like so made are punishable by fine or imprisonment, for both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the patent.

Dated: [10 April, 2001] /s/ Dr. James E. Fulton

¹⁴ The 16 February, 1996, *South Florida Business Journal (SFBJ)* article, "Viva legacy spawns lawsuits," refers (pages 1A and 12A), to its May 1995 investigative report revealing alleged misrepresentations by Mr. Jett, *inter alia*, about his academic and professional background. The article also indicates that Petitioner and Mr. Jett were sued in October 1995 by Viva Pharmaceuticals (aka VIBRF) shareholders.

a suit was filed against VIBRF, and those proceedings were terminated on an undisclosed date in an undisclosed settlement.

For completeness of the record because this is a final agency action, it is worth reviewing materials filed in support of the original petition (2 October, 2000,) to determine whether all the materials when considered together constitute satisfaction of Petitioner's evidentiary burden.

The original petition was supported by Mrs. Fulton's statement,¹⁵ wherein she alleges that:

the patent was subject of a business agreement between the patentee (or successor-in-interest) and Mr. Jett of VIBRF;

under the terms of the agreement, Mr. Jett or VIBRF was to pay the maintenance fees, but failed to do so;

PSLR, twice notified Mrs. Fulton and Petitioner before the patent expired of the maintenance fees due;

¹⁵ The statement of Sara Fulton in support of the original petition is as follows:

As required by M.P.E.P. §2590, this statement is provided to set forth the facts regarding the delay in paying the maintenance fee for U.S. Patent No. 5,043,356. U.S. Patent No. 5,043,356, which issued to James E. Fulton on [27 August, 1991], was the subject of a business agreement reached between Acne Research Corporation and Mishka Jett of Vivante Internationale of Boca Raton, Florida. Under terms of the agreement, Vivante Internationale received rights in the aforementioned patent in exchange for the payment of royalties to Acne Research Corporation. In addition, under the terms of the agreement, Vivante Internationale was to pay all fees associated with the maintenance of the patent.

The four year maintenance fee for the patent was due on [27 August, 1995]. On [31 August, 1994, and 2 May, 1995], my attorney at Poms, Smith, Lande & Rose ("Poms Smith") sent correspondence to me at my home address advising me that the maintenance fee was due. Copies of this correspondence are provided herewith.

When I received the [2 May, 1995,] letter from Poms Smith, I forwarded a copy of the enclosed maintenance fee reminder to Mishka Jett with a handwritten notation at the top asking him whether the maintenance fee had been paid. A copy of the maintenance fee reminder bearing my inquiry regarding payment of the maintenance fee is provided herewith.

Mishka Jett advised me that the Maintenance Fee had been paid. However, I now know that, in fact, the maintenance (sic) had not been (sic) paid.

As a further precaution because I mistrusted Mishka Jett, on [24 May, 1995], I sent a letter to the P.T.O. asking whether the maintenance fee had been paid. A copy of the template of the letter to the P.T.O. in which I filled in the information regarding the above-identified patent is provided herewith. The P.T.O. never responded to my inquiry.

I later discovered that Mishka Jett was a convicted criminal and had misrepresented many facts in the course of negotiating the agreement. Because of Mishka Jett's failure to comply with the terms of the agreement, the relationship between Acne Research Corporation and Vivante Internationale was terminated.

I was unaware that the patent had expired until I was discussing whether the above-identified patent had ever been assigned to Vivant Pharmaceuticals, a corporation of which I am President, with my patent attorney at Knobbe Martens Olson & Bear, LLP (KMOB). As part of that discussion, my attorney at KMOB checked the status of the above-identified patent and discovered that it had expired due to failure to pay the maintenance fee.

At this point, we attempted to track down all available documents regarding the maintenance fee, including documents from my own records and from the records of Poms Smith and KMOB.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful, false statements and the like so made are punishable by fine or imprisonment, for both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the patent.

Dated: [18 September, 2000] /s/ Sara Fulton

Mrs. Fulton contacted Jett and he informed her that the maintenance fee was paid;

because Mrs. Fulton did not trust Jett, she attempted to contact the Office directly by mail to inquire about the payment status of the maintenance fee;

Mrs. Fulton received no response from the Office to her May 1995 inquiry;¹⁶

Mrs. Fulton now knows that Jett is a convicted criminal;

the agreement between Petitioner/Mrs. Fulton/ARC and Mr. Jett/VIBRF has been terminated.

The statement is accompanied by four (4) unlabeled exhibits, as follows:

- a photocopy of a letter dated 31 August, 1994, from PSLR to Mrs. Fulton reminding her that: (a) the '356 maintenance fee had to be paid by 27 February, 1995, and (b) there would be no further notice from PSLR in the matter;
- a photocopy of an Office "Maintenance Fee Reminder" dated [4 April, 1995], as to the '356 patent;
- a photocopy of a letter dated 2 May, 1995, from PSLR to Mrs. Fulton transmitting a copy of the Office "Maintenance Fee Reminder," and reminding her that (a) the '356 patent would expire on 27 August, 1995, if the maintenance fee was not paid, and (b) there would be no further notice from PSLR in the matter;
- a photocopy of an incomplete form letter or "template" from Petitioner to the Office, and the form contain no patent number, mailing address (to which the letter was directed), or return address or telephone number (to which the Office might respond).¹⁷

¹⁶ Mrs. Fulton's claimed letter to the Office would have approximated the May 1995 *SFBJ* revelations about Mr. Jett, as discussed in the 16 February, 1996, edition of *SFBJ* (the February 1996 *SFBJ* article).

That was approximately 3 months before the second payment window closed and barred payment of the maintenance fees with surcharge.

In the context of this and other information—e.g., Petitioner's allegation that he was not being paid by Mr. Jett, and the February 1996 *SFBJ* article's report that Petitioner, Mr. Jett and others were sued in October 1995 by Viva Pharmaceuticals (VIBRF) shareholders—it is difficult to correlate the duty to attend to patent maintenance fees in the fashion that one would attend to one's most important business affairs with Mrs. Fulton's statement that, when she didn't receive a response from the Office, she "assumed that the maintenance fee had been paid, since it was my expectation that the P.T.O. would advise me if the maintenance fee had not been paid." (Fn. 11.)

¹⁷ The contents of the form letter are as follows (with unfilled blanks as indicated):

[24 May, 1995]

US Department of Commerce of Patent Office (sic)

To Whom It May Concern:

I am requesting information in reference to patent No. _____ regarding _____. Have the maintenance fees been paid on this patent and what is the expiration date of this patent? Kindly send the information to my attention.

Sincerely,

Sara Fulton (no signature)

As noted in the December 2000 decision, despite Mrs. Fulton's allegations, she failed to make a showing that:

- the '356 patent was assigned, and if so to whom or what,¹⁸ when and under what terms and granting what authority;
- Petitioner ever empowered Mrs. Fulton or ARC to enter into an agreement with Mr. Jett and/or VIBRF;
- an agreement was entered into between Mrs. Fulton/ARC and Mr. Jett/VIBRF;¹⁹
- a method or system was in place to ensure timely payment of at least the first maintenance fee(s) for the '356 patent.²⁰

As to Mrs. Fulton's allegation that the Office failed to respond to her 24 May, 1995, inquiry:

save for the many-years-later self-serving statement by Mrs. Fulton, there is no evidence in the record that, if a letter existed, it was properly addressed and mailed to and/or received by the Office;

the document placed in the record by Mrs. Fulton lacks a mailing address, a return address and a patent number for reference; and

- the record contains in this regard neither a receipt card, nor a U.S. Postal Service (USPS) return receipt, nor a certificate of mail under 37 C.F.R. §1.8 (Rule 8), nor a USPS Express Mail receipt (as under 37 C.F.R. §1.10 (Rule 10)).

The Office provides many tools--such as Rules 8 and 10--for practitioners, applicants and patentees to protect themselves with a "paper trail" to evidence their transactions with the Office. However, persons who fail to use the tools, fail to gain the protections. So it is in this matter with Petitioner and his spouse Mrs. Fulton.

¹⁸ I.e., to Mrs. Fulton and/or ARC.

¹⁹ While the FAX of 10 April, 2001, evidences an Employment Agreement executed between Petitioner and Mr. Jett, neither that agreement nor the unexecuted "draft" Assignment, Licence and Royalty Agreements evidences any arrangements as to the scheduling and/or payment of maintenance fees for the '356 patent.

²⁰ Moreover, rather than immediately following up the matter through former Counsel PSLR or new Counsel Mr. Hart of KMOB, Petitioner (through Mrs. Fulton) elected to contact Mr. Jett and accept his unsupported, undocumented claim that the maintenance fee was paid. In addition:

- Mrs. Fulton neither made nor retained a copy of communication that she forwarded to the Office inquiring about the status of the patent;
- Mrs. Fulton's "template" contains no address to which the communication/inquiry was mailed or to which the Office might be expected to respond;
- because the "template" is blank in all particulars, there Petitioner (through Mrs. Fulton) makes no showing that he ever inquired as to the patent number in question; and
- finally, when Petitioner received no response from the Office to Mrs. Fulton's alleged May 1995 inquiry, there is no indication or allegation that Petitioner did anything to follow up in this regard until more than five (5) years later--in or about September 2000 when Mrs. Fulton apparently executed her statement in support of the original petition.

And, while Petitioner's supplement demonstrates Mrs. Fulton's authority to negotiate on his behalf, it does nothing to evidence that a method or system was in place to ensure timely payment of at least the first and second maintenance fees for the '356 patent.

IV. ANALYSIS

Factual Analysis

Focus: Reliance upon Mr. Jett:

According to the materials submitted by Petitioner, Mrs. Fulton and Counsel KMOB, key to the events that occurred--or didn't--with regard to the failure to pay timely the maintenance fees for the '356 patent is the performance of Mr. Jett.

The record indicates that:

Petitioner personally sent notice to Mr. Jett on 19 June, 1995 (the 19 June letter), and KMOB sent notice to Mr. Jett on 28 August, 1995 (the 28 August letter), that they considered Mr. Jett and VIBRF to be in breach of the employment contract for failing to pay Petitioner's salary (monthly installments totaling \$225,000.00 a year);

nonetheless, while Petitioner--by his own statement--clearly was in financial conflict with Mr. Jett and VIBRF, Petitioner continued to rely upon Mr. Jett to pay the maintenance fee(s) for the '356 patent;

the 19 June letter predated the expiration of the '356 patent and was within the second window available for payment of the maintenance fee for the '356 patent, and the 28 August letter was within the 24-month third window available for payment of the maintenance fee for the '356 patent;

Petitioner and Mrs. Fulton appear not to have investigated the background of Mr. Jett because they represent that they were surprised by the revelations of his legal and financial difficulties and history--allegations available to them, if only through the *South Florida Business Journal* article of 16 February, 1996, more than 18 months before the third payment window closed and barred payment of the maintenance fees as unintentionally delayed.

For whatever reason, Petitioner made a business determination not to obtain from Mr. Jett written confirmation of the alleged payment--e.g, a copy of a deposit account statement or a canceled check.

In light of the record showing that Petitioner and his spouse Mrs. Fulton found themselves in financial conflict of such magnitude with Mr. Jett and had a question as to Mr. Jett's reliability and/or credibility, it is not reasonable to conclude that Petitioner's reliance upon Mr. Jett to pay the maintenance fee for the '356 patent was an exercise of due care.

Focus: Reliance upon duty under contract:

Petitioner and his spouse assert that Mr. Jett and/or VIBRF had the responsibility under their agreements to pay the maintenance fee(s) for the '356 patent.

A review of the one signed agreement--the Employment Agreement--that Petitioner

presents in support of his position reveals no statement within the agreement placing the responsibility for payment of the maintenance fee(s) for the '356 patent on either party to the agreement--Petitioner or Mr. Jett/VIBRF.

Moreover, §15 of the agreement states:

15. ENTIRE AGREEMENT. This Agreement supersedes and replaces any and all prior agreements and understandings (other than the Assignment, License and Royalty Agreement between the [VIBRF] and [Petitioner], dated as of the date hereof) between the parties hereto respecting the employment of [Petitioner] by [VIBRF] and constitutes the complete understanding between the parties with respect to the employment of [Petitioner] hereunder, and no statement, representation, warranty or covenant has been made by any party with respect thereto except as expressly set forth herein.

Therefore, in the absence of an explicit statement of responsibility in the Assignment, License and Royalty agreement, for payment of the maintenance fee(s), there can be no other agreement addressing the matter.

A review of the unsigned drafts of the Assignment, License and Royalty Agreement evidences no statement of responsibility by Mr. Jett and/or VIBRF in this regard.

Moreover, there is no signed Assignment, Licence, and Royalty Agreement in evidence, and so the record is silent as to any contractual responsibility of Mr. Jett/VIBRF for payment of the maintenance fee(s) for the '356 patent

And even if there was a signed agreement and said agreement placed the responsibility upon Mr. Jett/VIBRF to pay the maintenance fee(s) for the '356 patent, such an argument begs the question.²¹

Thus, the record demonstrates that any reliance by Petitioner (on his own or through his spouse Mrs. Fulton) upon Mr. Jett and/or VIBRF to pay the maintenance fee for the '356 patent could not be based in contract because the record contains none.

In light of the record showing, it is not reasonable to conclude that Petitioner's actions reflect the attention one gives to one's most important business affairs.

Focus: Was a procedure in place--as to this patent

The first payment window: The statements of Petitioner and Mrs. Fulton make clear that Petitioner had no system for payment of maintenance fees for the '356 patent, save total reliance on a previously untested Mr. Jett--and that without benefit of contract.

Therefore, as to an inquiry of whether Petitioner had in place a method to ensure timely payment of the maintenance fee for the '356 patent in the period from 27 August, 1994, through 27 February, 1995--the period within which the first payment window opened, the fee became due, and the first window closed--the answer is: No.

The second payment window: Thereafter, nothing was done between 28 February,

²¹ As noted above, Petitioner's continued reliance upon Mr. Jett/VIBRF to pay the fees in the wake of Petitioner's and his Counsel's letters of 19 June and 28 August, 1995, respectively cannot be found to be a reasonable exercise of due care.

1995, and midnight 27 August, 1995, to change conditions and/or otherwise place the maintenance fee for the '356 patent in position for payment.

(It was within this window that Petitioner sent his 19 June, 1995, letter to Mr. Jett/VIBRF placing them on notice of their breach of the employment agreement, yet Petitioner took no action to ensure payment of the maintenance fee for the '356 patent.)

Therefore, as to an inquiry of whether Petitioner had in place a method for seeing that the maintenance fee for the '356 patent was timely paid from 28 February, 1995, through midnight 27 August, 1995--the period within which the second payment window opened, the fee and small surcharge became due, and the second window closed--the answer is: No.

The third payment window: The record fails to reveal that anything was done by Petitioner and/or his former or present Counsel to review and change payment conditions with regard to the '356 patent between 28 August, 1995, and midnight 27 August, 1997.

(And it was within this window that Petitioner's Counsel sent the 28 August, 1995, letter to Mr. Jett/VIBRF placing them on notice of their breach of the employment agreement, yet neither Petitioner nor his Counsel took any action to ensure payment of the maintenance fee for the '356 patent.)

Therefore, as to an inquiry of whether Petitioner had in place a method for seeing that the fee for this patent was timely paid from 28 August, 1995, through midnight 27 August, 1997--the period in which the third payment window opened, the fee and large surcharge became due, and the third window closed, the answer is: No.

The fourth payment window Similarly, as to an inquiry of whether or not Petitioner had in place a method for seeing that the fee (with surcharge) for the '356 patent was timely paid as unavoidably-delayed in the fourth window before or after midnight 27 August, 1995, the answer is: No. In fact, the fourth window never could have opened for Petitioner because the record is void of any documentary evidence that the Petitioner had in place between 28 February, 1995, and midnight 27 August, 1997, any method for seeing that the fee for the instant patent was paid timely.

Legal Analysis

Generally, a late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay.²² Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.²³ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."²⁴

²² Ray v. Lehman, 55 F3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

²³ Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

²⁴ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

And a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.²⁵

The regulations at 37 C.F.R. §1.378(b)(3) require a showing that "the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely." Moreover, the showing must:²⁶

- enumerate the steps taken to ensure timely payment of the maintenance fee as well as the reasons why payment was not timely made;

present, with appropriate evidence, all the causes that contributed to the failure to timely pay the maintenance fee; and
- specify the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Even if a breach of duty by Petitioner as Counsel is the cause of the failure to maintain the patent and/or demonstrate unavoidable delay, those actions or inactions are imputed to the patent owner, who selected his counsel.²⁷

Rather, in the absence of a showing that the attorney/agent has acted to deceive the client,²⁸ the neglect of a party's attorney is imputed to and binds the party by the consequences.²⁹

At bottom, the question is one of diligence.³⁰ And the record does not demonstrate Petitioner's and/or Mrs. Fulton and/or Petitioner's Counsel's diligence as to the maintenance of the patent.

Direct Evidence

Perhaps as stark as the absence of diligence or attention to the process of maintenance in this matter is the absence of documentation provided by Petitioner in support of--or claimed to be available for--the petition in this record. The expiration/abandonment of this patent took place by operation of law, *inter alia*, for failure to pay timely the maintenance fee. Petitioner's burden, as set out at pages 3-4,

²⁵ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

This showing may include, but is not limited to, docket records, tickler reports, and file jacket entries for this application.

Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962).

²⁸ When an attorney intentionally conceals a mistake he has made, thus depriving the client of a viable opportunity to cure the consequences of the attorney's error, the situation is not governed by the stated rule in Link for charging the attorney's mistake to his client. In re Lonardo, 17 USPQ2d 1455 (Comm'r. Pat. 1990).

²⁹ See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker-Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

³⁰ See: Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. at 53158-59 (October 10, 1997), 120: Off. Gaz. Pat. Office at 86-87 (October 21, 1997). See also: Ray v. Lehman, *supra*.

require that Petition provide . . . *direct evidence* proving exactly"³¹ a factual basis supporting the showing of unavoidable delay required for relief to be granted.

Petitioner failed to carry his burden.

Absent such direct evidence, the petition cannot be granted.

IV. CONCLUSION

Thus, Petitioner has failed to make the showing of diligence and attendance to the matters of the instant patent with the care to be devoted to one's most business affairs--with the evidence described above--as required by statute, regulation and extensive case law.

That failure precludes acceptance of the maintenance fee as unavoidably delayed in payment.

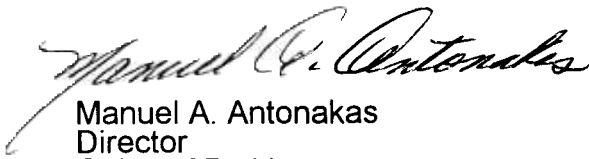
Therefore, the petition for reconsideration is granted to the extent that this review has been made and rendered.

In all further respects, the petition must be and hereby is **DENIED**.

This decision may be viewed as final agency action.³²

The application file is being forwarded to Files Repository.

Telephone inquiries regarding this decision should be directed to Petitions Attorney John J. Gillon, Jr. at (703) 305-9199.



Manuel A. Antonakas
Director
Office of Petitions
Office of the Deputy Commissioner
for Patent Examination Policy

³¹ See also: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990) (Emphasis supplied).

³² Provisions permitting further agency review (such as 37 C.F.R. §1.137(e)) do not apply to this decision.